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July 6, 1994

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

VIA MESSENGER

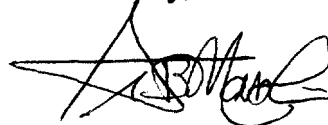
Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: CC Docket No. 92-77
Ex Parte Communication (Gateway Technologies, Inc.)

Dear Mr. Caton:

Today, counsel for Gateway Technologies, Inc. met with Gary Phillips and Mark Nadel of the Policy and Program Planning Division of the Common Carrier Bureau to discuss the issues raised in Paragraphs 45-46 of the Commission's Further Notice of Proposed Rulemaking (FCC 94-117, released June 6, 1994) regarding application of "Billed Party Preference" to correctional institution inmate-only communications services. Pursuant to Section 1.1206 of the Commission's Rules, two copies of the written materials supplied during this meeting are herewith submitted for the record.

Sincerely,



Glenn B. Manishin

GBM:nhs
Enclosures
cc: Gary Phillips, Esq.
Mark Nadel, Esq.

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Billed Party Preference
Application to Prisons/Inmate Calling Services

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- **Needs of Correctional Institutions**
 - Security (monitoring, screening, timing, harassment, etc.)
 - Blocking (1+, local, 411, 911, 976, 900, 950/800, etc.)
 - Finances (equipment costs + general revenues)
- **Financial Impact of BPP on Market Incentives**
 - CPE-based solutions developed by new entrants
 - Correctional institution market inadequately address by OSPs
 - Financial incentive for sophisticated CPE installation under BPP?
- **Effect of BPP on Correctional Institution Needs**
 - Security may require CPE-based solution
 - Blocking not performed by LIDB/flex-ANI
 - CPE costs paid for by general tax revenues/discretionary funds lost
- **Effectiveness of Fraud Alternatives**
 - Need both originating (ANI) and termination (LIDB) line screens
 - "Velocity" checks (a) not presently available from LIDB, and (b) must be destination-specific (PD, lawyers, etc.)
 - No security blocking/timing services available
 - Flex-ANI (a) limited availability, (b) must be purchase by all OSPs (carrier shopping)
 - Collect blocking overinclusive (Judges, etc.)
- **Cost of implementation**
 - Requires CO and network-modifications to act on LIDB "collect" screen
 - Prison market requires substantially more BPP modifications
- **Policy Issues**
 - Effect on long-term correctional institution contracts
 - "Stranded" investment by Gateway and CPPs
 - Rate issues (less than 34¢/min., including surcharges)
 - Intergovernmental immunities

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